

**SUBSTITUTE FOR
HOUSE BILL NO. 5893**

A bill to amend 2007 PA 36, entitled
"Michigan business tax act,"
by amending sections 201 and 203 (MCL 208.1201 and 208.1203),
section 201 as amended by 2007 PA 145.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 201. (1) Except as otherwise provided in this act, there
2 is levied and imposed a business income tax on every taxpayer with
3 business activity within this state unless prohibited by 15 USC 381
4 to 384. The business income tax is imposed on the business income
5 tax base, after allocation or apportionment to this state, at the
6 rate of 4.95%.

7 (2) The business income tax base means a taxpayer's business
8 income subject to the following adjustments, before allocation or

1 apportionment, and the ~~adjustment in subsection (5)~~ **ADJUSTMENTS IN**
2 **SUBSECTIONS (5), (6), AND (7)** after allocation or apportionment:

3 (a) Add interest income and dividends derived from obligations
4 or securities of states other than this state, in the same amount
5 that was excluded from federal taxable income, less the related
6 portion of expenses not deducted in computing federal taxable
7 income because of sections 265 and 291 of the internal revenue
8 code.

9 (b) Add all taxes on or measured by net income and the tax
10 imposed under this act to the extent the taxes were deducted in
11 arriving at federal taxable income.

12 (c) Add any carryback or carryover of a net operating loss to
13 the extent deducted in arriving at federal taxable income.

14 (d) To the extent included in federal taxable income, deduct
15 dividends and royalties received from persons other than United
16 States persons and foreign operating entities, including, but not
17 limited to, amounts determined under section 78 of the internal
18 revenue code or sections 951 to 964 of the internal revenue code.

19 (e) To the extent included in federal taxable income, add the
20 loss or subtract the income from the business income tax base that
21 is attributable to another entity whose business activities are
22 taxable under this section or would be subject to the tax under
23 this section if the business activities were in this state.

24 (f) Except as otherwise provided under this subdivision, to
25 the extent deducted in arriving at federal taxable income, add any
26 royalty, interest, or other expense paid to a person related to the
27 taxpayer by ownership or control for the use of an intangible asset

1 if the person is not included in the taxpayer's unitary business
2 group. The addition of any royalty, interest, or other expense
3 described under this subdivision is not required to be added if the
4 taxpayer can demonstrate that the transaction has a nontax business
5 purpose other than avoidance of this tax, is conducted with arm's-
6 length pricing and rates and terms as applied in accordance with
7 sections 482 and 1274(d) of the internal revenue code, and
8 satisfies 1 of the following:

9 (i) Is a pass through of another transaction between a third
10 party and the related person with comparable rates and terms.

11 (ii) Results in double taxation. For purposes of this
12 subparagraph, double taxation exists if the transaction is subject
13 to tax in another jurisdiction.

14 (iii) Is unreasonable as determined by the treasurer, and the
15 taxpayer agrees that the addition would be unreasonable based on
16 the taxpayer's facts and circumstances.

17 (g) To the extent included in federal taxable income, deduct
18 interest income derived from United States obligations.

19 (h) To the extent included in federal taxable income, deduct
20 any earnings that are net earnings from self-employment as defined
21 under section 1402 of the internal revenue code of the taxpayer or
22 a partner or limited liability company member of the taxpayer
23 except to the extent that those net earnings represent a reasonable
24 return on capital.

25 (i) Subject to the limitation provided under this subdivision,
26 if the book-tax differences for the first fiscal period ending
27 after July 12, 2007 result in a deferred liability for a person

1 subject to tax under this act, deduct the following percentages of
2 the total book-tax difference for each qualifying asset, for each
3 of the successive 15 tax years beginning with the 2015 tax year:

4 (i) For the 2015 through 2019 tax years, 4%.

5 (ii) For the 2020 through 2024 tax years, 6%.

6 (iii) For the 2025 through 2029 tax years, 10%.

7 (3) The deduction under subsection (2)(i) shall not exceed the
8 amount necessary to offset the net deferred tax liability of the
9 taxpayer as computed in accordance with generally accepted
10 accounting principles which would otherwise result from the
11 imposition of the business income tax under this section and the
12 modified gross receipts tax under section 203 if the deduction
13 provided under this subdivision were not allowed. The deduction
14 under subsection (2)(i) is intended to flow through and reduce the
15 surcharge imposed and levied under section 281. For purposes of the
16 calculation of the deduction under subsection (2)(i), a book-tax
17 difference shall only be used once in the calculation of the
18 deduction arising from the taxpayer's business income tax base
19 under this section and once in the calculation of the deduction
20 arising from the taxpayer's modified gross receipts tax base under
21 section 203. The adjustment under subsection (2)(i) shall be
22 calculated without regard to the federal effect of the deduction.
23 If the adjustment under subsection (2)(i) is greater than the
24 taxpayer's business income tax base, any adjustment that is unused
25 may be carried forward and applied as an adjustment to the
26 taxpayer's business income tax base before apportionment in future
27 years. In order to claim this deduction, the department may require

1 the taxpayer to report the amount of this deduction on a form as
2 prescribed by the department that is to be filed on or after the
3 date that the first quarterly return and estimated payment are due
4 under this act. As used in subsection (2)(i) and this subsection:

5 (a) "Book-tax difference" means the difference, if any,
6 between the person's qualifying asset's net book value shown on the
7 person's books and records for the first fiscal period ending after
8 July 12, 2007 and the qualifying asset's tax basis on that same
9 date.

10 (b) "Qualifying asset" means any asset shown on the person's
11 books and records for the first fiscal period ending after July 12,
12 2007, in accordance with generally accepted accounting principles.

13 (4) For purposes of subsections (2) and (3), the business
14 income of a unitary business group is the sum of the business
15 income of each person, other than a foreign operating entity or a
16 person subject to the tax imposed under chapter 2A or 2B, included
17 in the unitary business group less any items of income and related
18 deductions arising from transactions including dividends between
19 persons included in the unitary business group.

20 (5) Deduct any available business loss incurred after December
21 31, 2007. As used in this subsection, "business loss" means a
22 negative business income taxable amount after allocation or
23 apportionment. The business loss shall be carried forward to the
24 year immediately succeeding the loss year as an offset to the
25 allocated or apportioned business income tax base, then
26 successively to the next 9 taxable years following the loss year or
27 until the loss is used up, whichever occurs first, but for not more

1 than 10 taxable years after the loss year.

2 (6) DEDUCT ANY GAIN FROM THE SALE OF ANY RESIDENTIAL RENTAL
3 UNITS IN THIS STATE TO A QUALIFIED AFFORDABLE HOUSING PROJECT THAT
4 ENTERS AN AGREEMENT TO OPERATE THE RESIDENTIAL RENTAL UNITS AS RENT
5 RESTRICTED UNITS FOR A MINIMUM OF 15 YEARS. IF THE QUALIFIED
6 AFFORDABLE HOUSING PROJECT DOES NOT AGREE TO OPERATE ALL OF THE
7 RESIDENTIAL RENTAL UNITS AS RENT RESTRICTED UNITS, THE DEDUCTION
8 UNDER THIS SUBSECTION IS LIMITED TO AN AMOUNT EQUAL TO THE GAIN
9 FROM THE SALE MULTIPLIED BY A FRACTION, THE NUMERATOR OF WHICH IS
10 THE NUMBER OF THOSE RESIDENTIAL RENTAL UNITS PURCHASED THAT ARE TO
11 BE OPERATED AS A RENT RESTRICTED UNIT AND THE DENOMINATOR IS THE
12 NUMBER OF ALL RESIDENTIAL RENTAL UNITS PURCHASED. IN ORDER TO CLAIM
13 THIS DEDUCTION, THE DEPARTMENT MAY REQUIRE THE TAXPAYER AND THE
14 QUALIFIED AFFORDABLE HOUSING PROJECT TO REPORT THE AMOUNT OF THIS
15 DEDUCTION ON A FORM AS PRESCRIBED BY THE DEPARTMENT THAT IS TO BE
16 SIGNED BY BOTH THE TAXPAYER AND THE QUALIFIED AFFORDABLE HOUSING
17 PROJECT AND FILED WITH THE TAXPAYER'S ANNUAL RETURN. THE DEPARTMENT
18 SHALL RECORD A LIEN AGAINST THE PROPERTY SUBJECT TO THE OPERATION
19 AGREEMENT FOR THE TOTAL AMOUNT OF THE DEDUCTION ALLOWED UNDER THIS
20 SUBSECTION. THE DEPARTMENT SHALL NOTIFY THE QUALIFIED AFFORDABLE
21 HOUSING PROJECT OF THE MAXIMUM AMOUNT OF THE LIEN THAT THE
22 QUALIFIED AFFORDABLE HOUSING PROJECT MAY BE LIABLE FOR IF THE
23 QUALIFIED AFFORDABLE HOUSING PROJECT FAILS TO QUALIFY AND OPERATE
24 AS PROVIDED IN THE OPERATION AGREEMENT WITHIN 15 YEARS AFTER THE
25 PURCHASE. THE LIEN SHALL BECOME PAYABLE IN AN AMOUNT AS PROVIDED
26 UNDER THIS SUBSECTION TO THE STATE BY THE QUALIFIED AFFORDABLE
27 HOUSING PROJECT IF THE QUALIFIED AFFORDABLE HOUSING PROJECT FAILS

1 TO QUALIFY AS A QUALIFIED AFFORDABLE HOUSING PROJECT AND FAILS TO
2 OPERATE ALL OR SOME OF THE RESIDENTIAL RENTAL UNITS AS RENT
3 RESTRICTED UNITS IN ACCORDANCE WITH THE OPERATION AGREEMENT ENTERED
4 UPON THE PURCHASE OF THOSE UNITS WITHIN 15 YEARS AFTER THE
5 DEDUCTION IS CLAIMED BY A TAXPAYER UNDER THIS SUBSECTION. AN AMOUNT
6 EQUAL TO THE PRODUCT OF 100% OF THE AMOUNT OF THE DEDUCTION ALLOWED
7 UNDER THIS SUBSECTION MULTIPLIED BY A FRACTION, THE NUMERATOR OF
8 WHICH IS THE DIFFERENCE BETWEEN 15 AND THE NUMBER OF YEARS THE
9 AFFORDABLE HOUSING PROJECT QUALIFIED AND OPERATED RENT RESTRICTED
10 UNITS IN ACCORDANCE WITH THE AGREEMENT AND THE DENOMINATOR IS 15,
11 SHALL BE ADDED BACK TO THE TAX LIABILITY OF THE QUALIFIED
12 AFFORDABLE HOUSING PROJECT FOR THE TAX YEAR THAT THE QUALIFIED
13 AFFORDABLE HOUSING PROJECT FAILS TO COMPLY WITH THE AGREEMENT.

14 (7) SUBJECT TO THE LIMITATIONS PROVIDED IN THIS SUBSECTION,
15 FOR A PERSON THAT IS A QUALIFIED AFFORDABLE HOUSING PROJECT, DEDUCT
16 AN AMOUNT EQUAL TO THE PRODUCT OF THAT PERSON'S TAXABLE INCOME THAT
17 IS ATTRIBUTABLE TO RESIDENTIAL RENTAL UNITS IN THIS STATE OWNED BY
18 THE QUALIFIED AFFORDABLE HOUSING PROJECT MULTIPLIED BY A FRACTION,
19 THE NUMERATOR OF WHICH IS THE NUMBER OF RENT RESTRICTED UNITS IN
20 THIS STATE OWNED BY THAT QUALIFIED AFFORDABLE HOUSING PROJECT AND
21 THE DENOMINATOR OF WHICH IS THE NUMBER OF ALL RESIDENTIAL RENTAL
22 UNITS IN THIS STATE OWNED BY THE QUALIFIED AFFORDABLE HOUSING
23 PROJECT. THE AMOUNT OF THE DEDUCTION CALCULATED UNDER THIS
24 SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF LIMITED DIVIDENDS OR
25 OTHER DISTRIBUTIONS MADE TO THE PARTNERS, MEMBERS, OR SHAREHOLDERS
26 OF THE QUALIFIED AFFORDABLE HOUSING PROJECT. TAXABLE INCOME THAT IS
27 ATTRIBUTABLE TO RESIDENTIAL RENTAL UNITS DOES NOT INCLUDE INCOME

1 RECEIVED BY THE MANAGEMENT, CONSTRUCTION, OR DEVELOPMENT COMPANY
2 FOR COMPLETION AND OPERATION OF THE PROJECT AND THOSE RENTAL UNITS.

3 (8) IF A QUALIFIED AFFORDABLE HOUSING PROJECT NO LONGER MEETS
4 THE REQUIREMENTS OF SUBSECTION (9) (B) OR FAILS TO OPERATE THOSE
5 RESIDENTIAL RENTAL UNITS AS RENT RESTRICTED UNITS IN ACCORDANCE
6 WITH THE OPERATION AGREEMENT AND THE REQUIREMENTS OF SUBSECTION
7 (9) (C), THE TAXPAYER IS ENTITLED TO THE DEDUCTIONS UNDER
8 SUBSECTIONS (6) AND (7) AS LONG AS THE QUALIFIED AFFORDABLE HOUSING
9 PROJECT CONTINUES TO OFFER SOME OF THE RESIDENTIAL RENTAL UNITS
10 PURCHASED AS RENT RESTRICTED UNITS IN ACCORDANCE WITH THE OPERATION
11 AGREEMENT.

12 (9) FOR PURPOSES OF SUBSECTIONS (6), (7), AND (8) AND THIS
13 SUBSECTION:

14 (A) "LIMITED DIVIDEND HOUSING ASSOCIATION" MEANS A LIMITED
15 DIVIDEND HOUSING ASSOCIATION, CORPORATION, OR COOPERATIVE ORGANIZED
16 AND QUALIFIED PURSUANT TO CHAPTER 7 OF THE STATE HOUSING
17 DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1491 TO
18 125.1496.

19 (B) "QUALIFIED AFFORDABLE HOUSING PROJECT" MEANS A PERSON THAT
20 IS ORGANIZED, QUALIFIED, AND OPERATED AS A LIMITED DIVIDEND HOUSING
21 ASSOCIATION THAT HAS A LIMITATION ON THE AMOUNT OF DIVIDENDS OR
22 OTHER DISTRIBUTIONS THAT MAY BE DISTRIBUTED TO ITS OWNERS IN ANY
23 GIVEN YEAR AND HAS RECEIVED FUNDING, SUBSIDIES, GRANTS, OPERATING
24 SUPPORT, OR CONSTRUCTION OR PERMANENT FUNDING THROUGH 1 OR MORE OF
25 THE FOLLOWING SOURCES AND PROGRAMS:

26 (i) MORTGAGE OR OTHER FINANCING PROVIDED BY THE MICHIGAN STATE
27 HOUSING DEVELOPMENT AUTHORITY CREATED IN SECTION 21 OF THE STATE

1 HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL
2 125.1421, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
3 DEVELOPMENT, THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR RURAL
4 HOUSING SERVICE, THE MICHIGAN INTERFAITH HOUSING TRUST FUND,
5 MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND, FEDERAL HOME LOAN
6 BANK, HOUSING COMMISSION LOAN, COMMUNITY DEVELOPMENT FINANCIAL
7 INSTITUTION, OR MORTGAGE OR OTHER FUNDING OR GUARANTEED BY FANNIE,
8 GINNIE, FEDERAL HOUSING ASSOCIATION, UNITED STATES DEPARTMENT OF
9 AGRICULTURE, OR FEDERAL HOME LOAN MORTGAGE CORPORATION.

10 (ii) A TAX-EXEMPT BOND ISSUED BY A NONPROFIT ORGANIZATION,
11 LOCAL GOVERNMENTAL UNIT, OR OTHER AUTHORITY.

12 (iii) A PAYMENT IN LIEU OF TAX AGREEMENT OR OTHER TAX ABATEMENT.

13 (iv) FUNDING FROM THE STATE OR A LOCAL GOVERNMENTAL UNIT
14 THROUGH A HOME INVESTMENTS PARTNERSHIP PROGRAM AUTHORIZED UNDER 42
15 USC 12741 TO 12756.

16 (v) A GRANT OR OTHER FUNDING FROM A FEDERAL HOME LOAN BANK'S
17 AFFORDABLE HOUSING PROGRAM.

18 (vi) FINANCING OR FUNDING UNDER THE NEW MARKETS TAX CREDIT
19 PROGRAM UNDER SECTION 45D OF THE INTERNAL REVENUE CODE.

20 (vii) FINANCED IN WHOLE OR IN PART UNDER THE UNITED STATES
21 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S HOPE VI PROGRAM AS
22 AUTHORIZED BY SECTION 803 OF THE NATIONAL AFFORDABLE HOUSING ACT,
23 42 USC 8012.

24 (viii) FINANCED IN WHOLE OR IN PART UNDER THE UNITED STATES
25 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S SECTION 202 PROGRAM
26 AUTHORIZED BY SECTION 202 OF THE NATIONAL HOUSING ACT, 12 USC
27 1701Q.

1 (ix) FINANCING OR FUNDING UNDER THE LOW-INCOME HOUSING TAX
2 CREDIT PROGRAM UNDER SECTION 42 OF THE INTERNAL REVENUE CODE.

3 (x) FINANCING OR OTHER SUBSIDIES FROM ANY NEW PROGRAMS SIMILAR
4 TO ANY OF THE ABOVE.

5 (C) "RENT RESTRICTED UNIT" MEANS ANY RESIDENTIAL RENTAL UNIT'S
6 RENTAL INCOME IS RESTRICTED IN ACCORDANCE WITH SECTION 42(G)(1) OF
7 THE INTERNAL REVENUE CODE AS IF IT WAS A QUALIFIED LOW-INCOME
8 HOUSING PROJECT, OR RECEIVES RENTAL ASSISTANCE IN THE FORM OF HUD
9 SECTION 8 SUBSIDIES OR HUD HOUSING ASSISTANCE PROGRAM SUBSIDIES, OR
10 RENTAL ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE
11 RURAL HOUSING PROGRAMS, OR FROM ANY OF THE OTHER PROGRAMS DESCRIBED
12 UNDER SUBDIVISION (B).

13 Sec. 203. (1) Except as otherwise provided in this act, there
14 is levied and imposed a modified gross receipts tax on every
15 taxpayer with nexus as determined under section 200. The modified
16 gross receipts tax is imposed on the modified gross receipts tax
17 base, after allocation or apportionment to this state at a rate of
18 0.80%.

19 (2) The tax levied and imposed under this section is upon the
20 privilege of doing business and not upon income or property.

21 (3) The modified gross receipts tax base means a taxpayer's
22 gross receipts **SUBJECT TO THE ADJUSTMENT IN SUBSECTION (6), IF**
23 **APPLICABLE**, less purchases from other firms before apportionment
24 under this act. The modified gross receipts of a unitary business
25 group is the sum of modified gross receipts of each person, other
26 than a foreign operating entity or a person subject to the tax
27 imposed under chapter 2A or 2B, included in the unitary business

1 group less any modified gross receipts arising from transactions
2 between persons included in the unitary business group.

3 (4) For the 2008 tax year, deduct 65% of any remaining
4 business loss carryforward calculated under section 23b(h) of
5 former 1975 PA 228 that was actually incurred in the 2006 or 2007
6 tax year to the extent not deducted in tax years beginning before
7 January 1, 2008. A deduction under this subsection shall not
8 include any business loss carryforward that was incurred before
9 January 1, 2006. If the taxpayer is a unitary business group, the
10 business loss carryforward under this subsection may only be
11 deducted against the modified gross receipts tax base of that
12 person included in the unitary business group calculated as if the
13 person was not included in the unitary business group.

14 (5) Nothing in this act shall prohibit a taxpayer who
15 qualifies for the credit under section 445 or a taxpayer who is a
16 dealer of new or used personal watercraft from collecting the tax
17 imposed under this section in addition to the sales price. The
18 amount remitted to the department for the tax under this section
19 shall not be less than the stated and collected amount.

20 (6) **SUBJECT TO THE LIMITATIONS PROVIDED IN THIS SUBSECTION,**
21 **FOR A PERSON THAT IS A QUALIFIED AFFORDABLE HOUSING PROJECT, DEDUCT**
22 **AN AMOUNT EQUAL TO THAT PERSON'S TOTAL GROSS RECEIPTS ATTRIBUTABLE**
23 **TO RESIDENTIAL RENTAL UNITS IN THIS STATE OWNED BY THE QUALIFIED**
24 **AFFORDABLE HOUSING PROJECT MULTIPLIED BY A FRACTION, THE NUMERATOR**
25 **OF WHICH IS THE NUMBER OF RENT RESTRICTED UNITS IN THIS STATE OWNED**
26 **BY THE QUALIFIED AFFORDABLE HOUSING PROJECT AND THE DENOMINATOR OF**
27 **WHICH IS THE NUMBER OF ALL RENTAL UNITS IN THIS STATE OWNED BY THE**

1 QUALIFIED AFFORDABLE HOUSING PROJECT. THE AMOUNT OF THE DEDUCTION
2 CALCULATED UNDER THIS SUBSECTION SHALL BE REDUCED BY THE AMOUNT OF
3 LIMITED DIVIDENDS OR OTHER DISTRIBUTIONS MADE TO THE PARTNERS,
4 MEMBERS, OR SHAREHOLDERS OF THE QUALIFIED AFFORDABLE HOUSING
5 PROJECT. GROSS RECEIPTS ATTRIBUTABLE TO RESIDENTIAL RENTAL UNITS DO
6 NOT INCLUDE AMOUNTS RECEIVED BY THE MANAGEMENT, CONSTRUCTION, OR
7 DEVELOPMENT COMPANY FOR COMPLETION AND OPERATION OF THE PROJECT AND
8 THOSE RENTAL UNITS.

9 (7) IF A QUALIFIED AFFORDABLE HOUSING PROJECT NO LONGER MEETS
10 THE REQUIREMENTS OF SUBSECTION (8) (B) OR FAILS TO OPERATE THOSE
11 RESIDENTIAL RENTAL UNITS AS RENT RESTRICTED UNITS IN ACCORDANCE
12 WITH THE OPERATION AGREEMENT AND THE REQUIREMENTS OF SUBSECTION
13 (8) (C), THE QUALIFIED AFFORDABLE HOUSING PROJECT IS ENTITLED TO THE
14 DEDUCTION UNDER SUBSECTION (6) AS LONG AS THE QUALIFIED AFFORDABLE
15 HOUSING PROJECT CONTINUES TO OFFER SOME OF THE RESIDENTIAL RENTAL
16 UNITS PURCHASED AS RENT RESTRICTED UNITS IN ACCORDANCE WITH THE
17 OPERATION AGREEMENT.

18 (8) FOR PURPOSES OF SUBSECTIONS (6) AND (7) AND THIS
19 SUBSECTION:

20 (A) "LIMITED DIVIDEND HOUSING ASSOCIATION" MEANS A LIMITED
21 DIVIDEND HOUSING ASSOCIATION, CORPORATION, OR COOPERATIVE ORGANIZED
22 AND QUALIFIED PURSUANT TO CHAPTER 7 OF THE STATE HOUSING
23 DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL 125.1491 TO
24 125.1496.

25 (B) "QUALIFIED AFFORDABLE HOUSING PROJECT" MEANS A PERSON THAT
26 IS ORGANIZED, QUALIFIED, AND OPERATED AS A LIMITED DIVIDEND HOUSING
27 ASSOCIATION THAT HAS A LIMITATION ON THE AMOUNT OF DIVIDENDS OR

1 OTHER DISTRIBUTIONS THAT MAY BE DISTRIBUTED TO ITS OWNERS IN ANY
2 GIVEN YEAR AND HAS RECEIVED FUNDING, SUBSIDIES, GRANTS, OPERATING
3 SUPPORT, OR CONSTRUCTION OR PERMANENT FUNDING THROUGH 1 OR MORE OF
4 THE FOLLOWING SOURCES AND PROGRAMS:

5 (i) MORTGAGE OR OTHER FINANCING PROVIDED BY THE MICHIGAN STATE
6 HOUSING DEVELOPMENT AUTHORITY CREATED IN SECTION 21 OF THE STATE
7 HOUSING DEVELOPMENT AUTHORITY ACT OF 1966, 1966 PA 346, MCL
8 125.1421, THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
9 DEVELOPMENT, THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR RURAL
10 HOUSING SERVICE, THE MICHIGAN INTERFAITH HOUSING TRUST FUND,
11 MICHIGAN HOUSING AND COMMUNITY DEVELOPMENT FUND, FEDERAL HOME LOAN
12 BANK, HOUSING COMMISSION LOAN, COMMUNITY DEVELOPMENT FINANCIAL
13 INSTITUTION, OR MORTGAGE OR OTHER FUNDING OR GUARANTEED BY FANNIE,
14 GINNIE, FEDERAL HOUSING ASSOCIATION, UNITED STATES DEPARTMENT OF
15 AGRICULTURE, OR FEDERAL HOME LOAN MORTGAGE CORPORATION.

16 (ii) A TAX-EXEMPT BOND ISSUED BY A NONPROFIT ORGANIZATION,
17 LOCAL GOVERNMENTAL UNIT, OR OTHER AUTHORITY.

18 (iii) A PAYMENT IN LIEU OF TAX AGREEMENT OR OTHER TAX ABATEMENT.

19 (iv) FUNDING FROM THE STATE OR A LOCAL GOVERNMENTAL UNIT
20 THROUGH A HOME INVESTMENTS PARTNERSHIP PROGRAM AUTHORIZED UNDER 42
21 USC 12741 TO 12756.

22 (v) A GRANT OR OTHER FUNDING FROM A FEDERAL HOME LOAN BANK'S
23 AFFORDABLE HOUSING PROGRAM.

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26 (vii) FINANCED IN WHOLE OR IN PART UNDER THE UNITED STATES
27 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S HOPE VI PROGRAM AS

1 AUTHORIZED BY SECTION 803 OF THE NATIONAL AFFORDABLE HOUSING ACT,
2 42 USC 8012.

3 (viii) FINANCED IN WHOLE OR IN PART UNDER THE UNITED STATES
4 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S SECTION 202 PROGRAM
5 AUTHORIZED BY SECTION 202 OF THE NATIONAL HOUSING ACT, 12 USC
6 1701Q.

7 (ix) FINANCING OR FUNDING UNDER THE LOW-INCOME HOUSING TAX
8 CREDIT PROGRAM UNDER SECTION 42 OF THE INTERNAL REVENUE CODE.

9 (x) FINANCING OR OTHER SUBSIDIES FROM ANY NEW PROGRAMS SIMILAR
10 TO ANY OF THE ABOVE.

11 (C) "RENT RESTRICTED UNIT" MEANS ANY RESIDENTIAL RENTAL UNIT'S
12 RENTAL INCOME IS RESTRICTED IN ACCORDANCE WITH SECTION 42(G)(1) OF
13 THE INTERNAL REVENUE CODE AS IF IT WAS A QUALIFIED LOW-INCOME
14 HOUSING PROJECT, OR RECEIVES RENTAL ASSISTANCE IN THE FORM OF HUD
15 SECTION 8 SUBSIDIES OR HUD HOUSING ASSISTANCE PROGRAM SUBSIDIES, OR
16 RENTAL ASSISTANCE FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE
17 RURAL HOUSING PROGRAMS, FROM ANY OF THE OTHER PROGRAMS DESCRIBED
18 UNDER SUBDIVISION (B).